

Message Text

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62

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 L-02 SS-15 NSC-05 PA-01

USIA-06 PRS-01 /080 W

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R 031613Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9844

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION OECD PARIS

AMCONSUL BELFAST

AMCONSUL EDINBURGH

AMCONSUL LIVERPOOL

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E.O. 11652: N/A

TAGS: PINT, PFOR, UK, EEC

SUBJECT: EC REFERENDUM: ANTI-MARKETEERS LAUNCH PROCE-
DURAL ATTACKS

REF: (A) LONDON 4477; (B) LONDON 4801

SUMMARY: REFERENDUM CAMOAIION, WHICH WAS GENERALLY QUIES-
CENT OVER EASTER HOLIDAYS, TOOK AN OMINOUS TURN APRIL 2

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WHEN ANTI-MARKETEERS RELEASED TWO LETTERS THAT CHAL-

LENGED GOVERNMENT TAX POLICIES AND ATTACKED HOME SECRETARY ROY JENKINS. IN ADDITION, CHAIRMAN OF ANTI-MARKET "GET BRITAIN OUT" AND PRO-MARKET "BRITAIN IN EUROPE" ENGAGED IN PUBLIC SLANGING MATCH. THESE DEVELOPMENTS HIGHLIGHT EASE WITH WHICH REFERENDUM CAMPAIGN COULD DEGENERATE INTO BITTER, EMOTIONAL DISPUTE, WORSENING DIVISIONS IN LABOR PARTY AND UNDERMINING WILSON'S POSITION. END SUMMARY.

1. IN FIRST LETTER TO DENIS HEALEY, GET BRITAIN OUT CHAIRMAN CHRISTOPHER FRERE-SMITH LABELED HMG DECISION TO ALLOW TAX-FREE CONTRIBUTIONS TO EUROPE MOVEMENT A "SCANDAL" AND "ABUSE," AND CALLED FOR CHANCELLOR TO OVERTURN THIS RULING. A SECOND LETTER FROM ANTI-MARKET CONSERVATIVE MP RICHARD BODY TO HOME SECRETARY JENKINS CHARGED THAT IT WAS "FARCIAL AND GROTESQUE" FOR HOME SECRETARY, WHO IS PRESIDENT OF PRO-EC UMBRELLA GROUP, TO SERVE AS IMPARTIAL REFEREE OF THE REFERENDUM CAMPAIGN AND DEMANDED THAT HE BE REPLACED BY NEUTRAL SUPERVISORY COMMISSION. BODY'S LETTER ALSO CHALLENGED JENKINS TO PUBLICLY STATE HIS POSITION ON TAX-RELIEF AND REFERENDUM CAMPAIGN FINANCING RULES.

2. DISPUTE INVOLVING FRERE-SMITH AND DIRECTOR OF BRITAIN IN EUROPE, SIR CON O'NEILL, AROSE FROM EARLIER ANTI-MARKET DEMAND FOR PRO-EC ORGANIZATION TO RELEASE INFORMATION ON SOURCES OF ITS FUNDS AND ALLEGATION THAT PRO-MARKET SPENDING HAD ALREADY TOPPED 5 MILLION POUNDS. O'NEILL, IN LETTER TO FRERE-SMITH, STATED THAT BRITAIN IN EUROPE WOULD COMPLY FULLY WITH STATUTORY REQUIREMENT TO PUBLISH ITS ACCOUNTS WHICH WOULD REVEAL THAT HIS SPENDING ALLEGATIONS WERE "VERY WIDE OF THE MARK." HE ALSO ASSERTED ANTI-MARKETEERS' CHARGES "WERE DESIGNED TO MISLEAD THE PUBLIC." THIS PROVOKED A LETTER RESPONSE FROM FRERE-SMITH WHO LABELED O'NEILL'S REPLY "WORTHLESS" AND RELEASED HIS LETTER TO THE PRESS BEFORE IT REACHED O'NEILL.

3. COMMENT: THESE EVENTS ILLUSTRATE STRONG TENDENCY FOR REFERENDUM DEBATE TO DEGENERATE INTO SLANGING MATCH. LIMITED OFFICIAL USE

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ANTI-EC GROUP IS ESPECIALLY SUSCEPTIBLE BECAUSE OF ITS CONVICTION THAT PRO-MARKETEERS ENJOY HEAVY ADVANTAGE STEMMING FROM GOVERNMENT'S POSITIVE RECOMMENDATION ON CONTINUED MEMBERSHIP. ACCORDINGLY, THEY ARE CONSTRAINED TO ATTACK PROCEDURES AND PERSONALITIES AS WELL AS ARGUMENTS FAVORING CONTINUED MEMBERSHIP, AND EMOTION REPLACES REASON. THE NATURE AND TONE OF THE EC REFERENDUM DEBATE MAY WELL BE AS IMPORTANT AS THE REFERENDUM OUT-

COME IN TERMS OF IMPACT ON THE LABOR PARTY AND GOVERNMENT. A BITTER, RECRIMINATORY CAMOAIION WOULD WIDEN THE PRO/ANTI-MARKET SCHISM IN THE PARTY AND COULD THREATEN WILSON'S POLITICAL SURVIVAL, REGARDLESS OF THE ELECTORATE'S DECISION ON MEMBERSHIP ISSUE (REF A). WILSON, HIS GOVERNMENT AND LABOR PARTY LEADERS ARE CONSCIOUS OF THIS DANGER AND ARE MAKING A MAJOR EFFORT TO AVOID IT -- WITNESS THE NATIONAL EXECUTIVE COMMITTEE'S HANDLING OF THE POTENTIALLY DIVISIVE MIKARDO RESOLUTION LAST WEEK (REF B)

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Message Attributes

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